Managing service quality perceptions by quality marks

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MANAGING SERVICE QUALITY PERCEPTIONS BY QUALITY MARKS

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1. Introduction.

As a reaction to the quality sensitivity at the market demand side (Steenkamp (1989), Zeithaml, Parasuraman and Berry (1985, 1990) et al.) the supplier side raises quality as a strategic competitive weapon. (Porter (1980), Kotler (1984), Juran (1984) et al.). This is especially so in markets where competition is high (Tettero and Viehoff (1987)). If quality is to be an effective marketing instrument, specific attention for and control of perceived quality is indispensable. The technical quality of the product and the production process are dissatisfiers and prerequisites for perceived quality.
Perceived quality literature focuses on the perceived quality delivery. However, perceived quality concerns the matching of quality deliverance and expectations (Parasuraman et al. (1985)). In their SERVQUAL-model, they have distinguished four gaps to explain perceived quality problems in services. Three of them are internal orientated (delivery), one is concerned with external quality control aspects (expectations). Qualitative research by the same authors shows what the nature and determinants of customer expectations probably are (Zeithaml et al. (1991)). This and related studies offer possibilities not only to manage service quality delivery but also to manage service quality expectations.

2. Managing service quality.

The main reason for specific attention for quality in services is the acceptance that services are, on intrinsic elements, different from goods (Tettero and Viehoff (1987), Lovelock (1988) et al.)
These characteristics impede the service provider to get control of the quality perception process in several ways:
1. The intangibility of services implicates that the product itself offers little for the inference of the quality. This leads to quality unsteadiness;
2. The flexibility and lack of (desired) standardisation of the product and production

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process offers the service providers no foothold to communicate the service features unambiguously. "Everything is possible" and "it shows as it shows" fortifies the incertitude and offers little opportunity to attend the quality perception in an adequate manner.
3. As the customer is part of the service production, the client not only forms a quality perception of the service (the outcome) but also of the way it is delivered during the production process (Neijzen and Trompetter (1989), Gronroos (1982)).
It is evident that in services the assessment of quality by the customer and the control of it by the service provider is far more difficult than it is by goods. Quality formation by the client and quality control by the provider are interactively related. The formation of the quality perception can be simplified when the client is made clear what to expect of the service and its provider, and what not to expect. This insecurity reduction makes demands on the provider who should take care of quality control and quality assurance. Although control and accompanying of the customers' quality perception process is of vital interest it is often omitted due to complexity.
It is said that customers usually don't know what they are getting, until they don't get it (Levitt (1981)).
To get a grip on the quality perception of services it is necessary to unfold the quality perception process to see where and how this expectation process can be influenced by the provider.

3. Service quality perception.

Literature on the quality perception process emphasises five topics:
1. Information collection (Bettman (1979), Van Raaij (1977), Wilkie (1990), Schiffman and Kanuk (1987), et al.);
2. The selection of quality cues (Miller (1956), Crane and DeYoung (1990), Monroe and Krishnan (1985), Steenkamp (1989), et al.);
3. The formation of quality attributes (also when derived from quality cues) (Juran (1984), Garvin (1987), Van Raaij (1977), et al.) and
4. The formation of quality expectations (also when derived from quality attributes) (Holbrook and Corfman (1985), Zeithaml (1988), Parasuraman, Zeithaml and Berry (1985), Zeithaml, Berry and Parsuraman (1991), et al.).
5. Perceived quality evaluation (e.g. perceived differences between desired and adequate expectations and perceived service delivery) (Kasper and Lemmink (1989), (Brown and Swartz (1989), Zeithaml et al. (1991), et al.)

The consumer is in need of information to assess the value of an offering that includes the perceived give and get components (e.g. quality) (Van Raaij (1988), Holbrook and Corfman (1985) et al.). In this respect it is of importance to specify which criteria information must meet, to serve this purpose. Willenborg (1985), in reference to Weser (1980), shows the requirements for information for optimal usage (see Table 1.)
According to Bettman (1979), consumers will first look for internal, passive or active gathered, information, because of its simplicity. However, internal information can be

absent, insufficient or in conflict with other information. Dependent on the perceived risk or the level of conflict (Box (1979)) the consumer will ignore the lack of (suitable) information and/or search for external information. Desired external information completion, the amount and type of information, will also depend on marginal behavioral costs (time, money, effort) (Verhallen and Van Raaij (1986).

Fishbein and Ajzen (1975), Steenkamp (1988) et al. state that quality beliefs and quality attribute beliefs can be formed in several ways:
- Inferential belief formation, in which the consumer forms beliefs about quality attributes from relevant information. Quality cues are, dependent on their predictive and confidence value, used as intermediate variables to infer quality(attributes).
- Descriptive belief formation, in which the customer comes to quality(attribute) beliefs by direct sensory contact, without use of intermediate cues.
- Informational belief formation, which is influenced by information on quality(attributes) provided by external sources e.g. experts.

The usage of these three processes to evaluate quality differs.
Descriptive belief formation has the constraint of having to test a service before buying and, when possible, to judge descriptive credence attributes. Inferential belief processing is the one most commonly used. It also shows several problems: the lack of relevant intrinsic cues (Olson and Jacoby (1972)) and purposeful information, the low confidence and predictive values, the presence of a-priori beliefs (Steenkamp (1989)) and the lack of motivation to deduce quality in an intensive and systematic way. Especially in situations of low involvement by the client, or in situations with high involvement accompanied by confusion or a lack of personal capacity and/or ability, the transformation process of cues into attribute expectations and of attribute expectations into quality expectations will be heuristic (Furse, Punj and Stewart (1984), Van Raaij (1977) et al.). Before external quality control is made possible, research is necessary on how cues are used to form beliefs about attributes. Research on how cues are used and translated into attributes of services is rare. For some empirical findings see Crane and DeYoung (1990). Literature on attributes however is ready available (Garvin (1987), Juran (1984), Morgan (1985), Parasuraman et al. (1985)).
Informational belief processing, in which consumers depend on external "expertise", is commonly used (Furse et al. (1984)). To play a significant role in the quality perception process it is necessary that the information is understood and accepted. Problems can arise from the sender (e.g. incredibility), the receiver (e.g. uncertainty, intelligence) and the attribute information itself (e.g. complexity, ambiguity, availability, completeness).

It is clear that in services inferential and informational belief processing are used to determine quality(attributes) scores. These attribute expectations are, because of the absense of search attributes in most service environments, experience and credence attributes.
Customer expectations can be defined as pretrial beliefs about a product that serve as standards or reference points against which product performance are judged. Judging products on e.g. quality is possible before and after the purchase. The former is

concerned with buying intentions, while the latter deals with (dis)satisfaction and Parasuraman et.al.'s perceived quality gap. It has, therefore, been questioned by Cardote, Woodruff and Jenkins (1987) whether the formed focal brand expectations are used in judging performance after purchase. They state that in after purchase evaluations "experience-based norms" are used. These norms have two important characteristics: (1) they reflect desired performance in meeting needs and wants and (2) they are constrained by the performance consumers believe is possible as indicated by the performance of known brands (see also Jacobs (1987)). It can be stated that also in pre purchase situations the same experience-based norms are used in order to judge the focal brand expectations. Qualitative research by Zeithaml et.al. (1991) shows that the experience based norms can be extended into two general expectation levels. First the desired standard expectations which can be defined as the level of offering the customer hopes to receive. Second the adequate standard expectations which is the level of offerings the customer will accept.
The desired expectations are based on what they call enduring offering intensifiers (e.g. personal philosophies), personal needs (e.g. high social and dependency needs reflecting in e.g. high perceived risk), explicit offering promises (e.g. advertisements), implicit benefit promises (e.g. price), word of mouth (e.g. personal reference but also Consumer Reports and Quality Marks) and of course past experiences with the product category.
The adequate expectations are based on the focal brand expectations (predicted offering), which would be first the impression of explicit and implicit product promises, word of mouth and past experiences, and second transitory offering intensifiers (e.g. emergencies), perceived product alternatives (e.g. competition), self-perceived production role (e.g. participation), and situational factors (e.g. catastrophe).
The difference between desired and adequate expectations is the tolerance zone which can fluctuate due to situational, individual and product typical factors and is attribute dependent.

In evaluating service quality, expectations are compared with perceived service delivery. A lot of research is available on this topic, however most of it lacks scientific background. According to Zeithaml et.al. (1991) the difference between desired offering level and the perceived delivery is the perceived offering superiority while the difference between adequate offering and perceived delivery is the perceived offering adequacy. The discrepancy between predicted offering and perceived delivery would determine the satisfaction of the product. It seams plausible that, again, combination rules will be used to give the overall impression.

4. The role of neutral information.

Table 1 shows that neutral non-personal information sources, Quality Marks (QM) and Consumer Reports (CR) are very suitable in judging products. A Quality Mark is a mark on the label of a product which guarantees a often unspecified minimal quality for one or more product characteristic controlled by an independent institution (Box

(1979)). A Consumer Report is a special kind of market research by an independent organisation which is also responsible for the selection of the brands within a product class and which also determines the test procedure (Thorelli and Thorelli (1977)).
Neutral non-personal information is well suited for consumers in judgemental situations characterized by one or more of the following characteristics (Steenkamp (1989), Willenborg (1985), Wilkie (1990) et al.):
- the product is not often bought;
- the product characteristics are difficult to evaluate;
- the customer has sufficient choice;
- the product is not guaranteed by legal procedures;
- the perceived interest or risk of the purchase is high.

In fact, most of the services!

type of information	neutral			non-neutral		
	pers.	non-personal		non-personal		pers.
info. criteria	obser vation	CR	QM	mass adverti sing	broch ures	word of mouth
completeness	-	+	?	-	-	-
factual	-	+	+	-	?	-
decision relevancy	+	+	?	+	?	+
structured	-	+	+	?	+	-
insightful	?	+	-	?	+	?
standardised	-	+	+	-	-	-
availability	+	-	+	+	+	+
market coverage	-	-	?	?	-	-
actuality	+	?	+	+	+	-
emotional loading	+	-	-	+	+	+
+: is satisfied	CR: Consumer Report					
?: indistinctive	QM: Quality Mark					
-: is not satisfied						

Table 1. Information criteria for product information according to Weser (et al.)

It may be concluded that neutral non-personal information can play an important role in the deduction of service quality.
From the client's point of view service characteristics ambiguity and insecurity are due to intangibility. The heuristic processing of neutral information may reduce this (Van Laanen (1990)). Neutral non-personal
product information requires less cognitive processing costs (Box 1979)) and the properties of structure and standardisation for this kind of information can be helpful.
Neutral non-personal neutral product information has also several advantages for the service provider. External and internal quality control is made possible as it now can be communicated what is to be expected from the service and its provider. The provider knows which attributes are being tested by the independent test organisation and are relevant for the client. Apart from this, a positive test evaluation will stimulate sales and justifies a higher price level.

Because of the fragmented character of the service sector Quality Marks offer more perspective than Consumer Reports.

In order to come to an effective Quality Mark policy two related questions have to be stated:
- What are the demands for the service provider in order to be able to deliver the service at the required level;
- What are the requirements for a Quality Mark from clients in order to facilitate the evaluation of services.

In order to answer these questions a distinction of quality dimensions in input- and output factors has to be made. Input factors are factors which are especially objective and can be determined and controlled by the provider. Output factors are factors which are more subjective and client dependent. They are concerned with the interactive contact between provider and client and are therefore more difficult to determine and control by the provider alone. (these factors are similar to experience and credence properties).

The quality dimensions given by Parasuraman, Zeithaml and Berry (1985) can be classified along the input- output axe (see Figure 1.)

* tangibles * security * access * competence 100% input * knowing the customer
* understanding the customer 100% output * communication * responsiveness * courtesy * credibility * reliability

Figure 1. Quality dimensions along the input- output axe.tangibles

5. Research objective.

The present study focuses on the way in which Quality Marks are being used by providers and customers.

For both sides it is assessed which input- and output quality factors are being associated with Quality Marks. Differences in intended and perceived quality factors may explain the type of usage of qualitymarks and may lead to future changes in Quality Mark procedures.

6. Method.

The assessment of objective, factual Quality Mark quality characteristics is made on the basis of procedural documents and from information of the Quality Mark provider.
The perceived quality factors are measured using an interview with N=200 respondents. The score profiles are in detail assessed for a Quality Mark that includes both input- and output factors and another that includes only input factors. Differences in Quality Mark scoring are attributed to quality assessment procedures as well as to personal factors such as personal experience, familiarity and product category usage. The analyses will include analyses of variance and regression analyses with Quality Mark scoring as dependents.

7. Timing and planning.

The data are being gathered in 1991. The analysis will take place beginning 1992. The full paper will be ready end february/beginning of march.

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